

into a one-way street, because when it comes to allowing the forces of economic competition to determine outcomes, where they would have an advantage, they're all for it. But where we say, look, we have these very important financial institutions, as my two colleagues have mentioned, institutions which will benefit the Chinese, which will help with the savings rate.

The gentleman from Georgia has made it clear. This isn't an assault on China by the outsiders. This is something that would be of interest to the Chinese because the Chinese use the same argument to us. They say, look what we're doing for you. We're giving you these cheaper products. Don't turn them down.

Well, I don't understand why that doesn't translate into their doing the same thing.

And so you cannot, I think, in this world consistently, at the same time, be a complete free trader where you have an advantage, but a mercantilist and protectionist and restrictionist society where you think somebody else might have the advantage.

But this resolution is aimed only partly at China. It is also a directive from this House. And I hope, with a very large vote, and I hope our colleagues in the Senate will do it, to the United States regulators, to the Securities Exchange Commission, to the bank regulators, to the Federal Reserve, the Secretary of the Treasury: do unto others as they do unto us in the financial area. Do not allow the Chinese financial institutions a freedom to operate in the United States that they would deny to us. And I want to stress that.

There have been criticisms that have come from China and from some in the United States who say, yes, China sells a lot, but don't be restrictive. The answer is openness.

Well, this is the test. Is openness a two-way ocean?

And if the Chinese continue to resist living by the doctrine they preach to us, then the United States regulators, those in the United States who decide whether Chinese institutions can have access here, really, in their own interest, should take account of that because if you continue to have a situation in which Chinese financial institutions are allowed activity in the U.S. that the Chinese Government denies to American institutions in China, I believe this body will go beyond a resolution. And I can tell you that the committee that I chair will begin to consider, then, legislative changes. And we're often told that you can't legislate that because of the WTO. But here we're asking them to live up to their WTO responsibilities. And if this continues, I will consult with our colleagues in the Ways and Means Committee, and I think we will try to put some binding legislation here. I hope it doesn't come to that.

And I thank the gentleman from Georgia (Mr. MARSHALL) for taking the

initiative here and the gentleman from Illinois (Mr. ROSKAM) and others. This is, I hope, unanimous, but certainly overwhelming, it was unanimous in the Committee on Financial Services' request.

And the gentleman from Georgia read a very impressive list. Every important entity of financial institutions in the United States was on the letters that the gentleman from Georgia read.

So we hope that the Chinese Government will listen. And if they don't, we hope the United States regulators will listen, because we are only asking here that the Chinese live by the doctrines that they profess to believe in. And we believe that this is something that is in the mutual interest of both countries.

I submit the following exchange of correspondence regarding H. Res. 552.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services,
Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you concerning the bill, H. Res. 552, calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China. I understand there are certain provisions of this legislation as it will be presented to the full House that fall within the Rule X jurisdiction of the Committee on Foreign Affairs.

In the interest of permitting your Committee to proceed expeditiously to floor consideration of this important legislation, I am willing to waive this Committee's right to sequential referral. I do so with the understanding that by waiving consideration of the bill, the Committee on Foreign Affairs does not waive any future jurisdictional claim over the subject matters contained in the legislation which fall within its Rule X jurisdiction.

I would ask that you place this letter into the Congressional Record when the House has H. Res. 552 under consideration.

Sincerely,

TOM LANTOS,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, September 4, 2007.

Hon. TOM LANTOS,
Chairman, Committee on Foreign Affairs,
Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter concerning House Resolution 552, calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China. This resolution was introduced on July 17, 2007, and was referred to the Committee on Financial Services. It is my expectation that this legislation will be scheduled for floor consideration shortly.

I recognize that certain provisions in the resolution fall within the jurisdiction of the Committee on Foreign Affairs under Rule X of the Rules of the House of Representatives. However, I appreciate your willingness to forego action on House Resolution 552 in order to allow the resolution to come to the floor expeditiously. I agree that your decision will not prejudice the Committee on Foreign Affairs with respect to its jurisdictional prerogatives on this or similar legislation.

I will include this exchange of correspondence in the Congressional Record when this resolution is considered by the House. Thank

you again for your cooperation in this important matter.

BARNEY FRANK,
Chairman.

Mr. ROSKAM. Mr. Speaker, I don't have any additional speakers. Let me just yield myself another minute or two just to say this in closing.

We have before us, really, two competing economic systems that are playing out essentially. We have our system, which has a very high view of the individual, free people making free decisions within a free market. That is the great strength of the American system. We show great deference and great respect to the free market on balance.

China, however, is in some sort of transition right now, where they've not had that high view of the individual. They've not had that high view of the free market, and they're beginning this process of more or less dabbling in it. This is the call for them to stop the dabbling, as it relates to the financial services sector, and to fully embrace those things, those concepts that they propound around the world.

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Mr. Speaker, I reserve the balance of my time.

Mr. MARSHALL. Mr. Speaker, I yield 30 seconds to Chairman FRANK of Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, I misspoke. I said that this has passed our committee unanimously. I was reminded by our very able staff that the committee sentiment was so overwhelming that we unanimously decided we didn't even have to take it up in committee. So this did not pass the committee unanimously; this bypassed the committee unanimously.

Mr. MARSHALL. Mr. Speaker, I yield myself such time as I may consume.

I want to just take this opportunity to make an observation. This is absolutely the right thing to do. A deal is a deal. It is not a one-way street. We give accommodations; they agree to accommodations in exchange. They have got to live up to the accommodations that they have, in fact, agreed upon. If they don't, we need to take some action.

But I do want to not associate myself enthusiastically with one aspect of the arguments in favor of this, and that is that somehow we have got to turn the Chinese into better consumers. No question improving consumption can lead to some of the benefits that we have already discussed. But also adding another billion heavy consumers here and another billion heavy consumers there may not necessarily be in our best interest from a global perspective, and somehow we have got to find a balance here.

It is clear there is a large swath of the Chinese populace that could use some of the financial tools that we could make readily available to them and, as a result, wind up moving into the middle class. It is certainly something we should support and encourage.